

Stellar Anchors Corporation

Stellar Anchors Platform

White Paper

v 2.0.2. - 5 March 2023

1. Introduction

1.1. Background

Stellar Anchors is a startup SaaS company that provides merchants with tools to issue digital store credit assets on the Stellar blockchain which are redeemable for store merchandise. Stellar Anchors was founded by a team of experienced entrepreneurs and developers who believe that blockchain technology can transform the way e-commerce transactions are made.

1.2. Mission

At Stellar Anchors, we understand that merchants face significant challenges when it comes to managing customer loyalty programs. Traditional loyalty programs are centralized and proprietary, which limits their potential application and reach, while also presenting potential security issues. Stellar Anchors seeks to provide a more open, secure, transparent, and efficient solution that leverages the power of blockchain technology.

Our mission is to empower our subscribers to build and maintain loyal customer relationships by providing them with the necessary tools to issue store credit assets on the Stellar blockchain. By doing so, we aim to aid them in increasing customer engagement, improving retention rates, and reducing the cost of implementing and maintaining loyalty programs.

1.3. Problem statement

Merchants face significant challenges when it comes to implementing and maintaining customer loyalty programs. Traditional loyalty programs are often costly, difficult to manage, and fail to provide the desired level of customer engagement and retention. These challenges lead to decreased customer loyalty, lower customer lifetime value, and increased customer acquisition costs.

In addition, traditional loyalty programs can be vulnerable to fraud and abuse, which can further erode customer trust and loyalty. The lack of transparency and accountability in traditional loyalty programs can create a breeding ground for fraudulent activities, such as multiple accounts, false claims, and gaming of the system.

Moreover, traditional loyalty programs often suffer from poor interoperability between different programs, making it difficult for customers to use their rewards across multiple stores. This lack of interoperability limits the value of rewards for customers and reduces the overall effectiveness of loyalty programs.

Stellar Anchors seeks to address these challenges by leveraging the power of blockchain technology. Our tools enable subscribers to issue store credit assets on the Stellar blockchain, which are secure, transparent, and can be easily redeemed for their store's merchandise. Our blockchain-based loyalty program offers improved customer engagement and retention, reduced costs, increased transparency and accountability, and enhanced interoperability between different loyalty programs.

Stellar Anchors provides subscribers with a solution they can use to provide their customers with a simple and efficient way to earn and redeem rewards while also minimizing the risk of fraud and abuse. We believe that our blockchain-based loyalty program can revolutionize the way e-commerce transactions are made and help e-commerce businesses achieve greater success in a highly competitive market.

1.4 Solution Overview

The Stellar Anchors Platform is a suite of tools that enables merchants to issue and manage store credit assets on the Stellar blockchain. It is designed to be easy to use, making it simple for merchants to implement and manage a blockchain-based loyalty program for their customers. At the core of the platform is Stellar Anchors Station, a web service that serves as a broker between client applications such as Stellar Anchors Satellite and the Stellar blockchain.

Stellar Anchors Station is the primary web service and value network for subscribers that serves as a broker and provides priority access to the Stellar blockchain for client applications such as Stellar Anchors Satellite through Stellar Anchors Node. It provides priority access to the Stellar blockchain for subscribers and a scalable and reliable infrastructure for managing their loyalty program. It is built using PHP, relies on Composer for package management, stores data in a MySQL database, and communicates with client applications using Stellar Anchors Interface Language (SAIL).

Stellar Anchors Satellite is a WordPress plugin provided by Stellar Anchors Corporation that provides a client to access Stellar Anchors Station. Subscribers can use Stellar Anchors Satellite to build and administer customer loyalty programs. It provides a diverse and highly configurable toolkit containing screen widgets that can be used to model customer loyalty program process flows and design rich, engaging experiences for customers.

Stellar Anchors Node is a hosted Stellar blockchain validator node used by Stellar Anchors Corporation to provide priority network access to subscribers. By hosting

their own blockchain node, Stellar Anchors Corporation can ensure priority access to the network for their subscribers and provide a higher level of security for transactions.

Stellar Anchors Interface Language (SAIL) is the JSON data specification that Stellar Anchors Satellite and other clients use to submit operation requests to Stellar Anchors Station and receive responses. SAIL is a custom specification that combines aspects of REST with aspects of JSONRPC.

The Stellar Anchors Platform relies on several key technologies, including PHP, Composer, our PHP SDK for the Stellar blockchain, and MySQL, an open-source relational database management system. These technologies provide a flexible, secure, and scalable solution for managing customer loyalty programs on the Stellar blockchain.

1.5. Purpose of white paper

The purpose of this white paper is to provide potential subscribers and investors with a detailed overview of Stellar Anchors and its products. This white paper provides an in-depth analysis of the challenges faced by merchants when implementing and managing customer loyalty programs and how Stellar Anchors can help to solve these challenges by leveraging the power of blockchain technology.

In this white paper, we have outlined the tools provided by Stellar Anchors, including: Stellar Anchors Node, Stellar Anchors Station, Stellar Anchors Satellite, and Stellar Anchors Interface Language. We have described how these tools work together to provide merchants with a simple way to implement and manage a blockchain-based loyalty program.

We have also provided a market analysis of the e-commerce industry, highlighting the potential size and growth of the market, as well as the competitive landscape and target customer segments. This analysis provides a context for Stellar Anchors' products and their potential impact on the e-commerce industry.

In addition, this white paper includes a business model analysis, which outlines the pricing strategy, revenue streams, and financial projections for Stellar Anchors. We have also provided a marketing and sales strategy, which describes the targeted marketing channels and subscriber acquisition and retention tactics.

Also included is a funding request, which outlines the funding requirements and potential return on investment for potential investors.

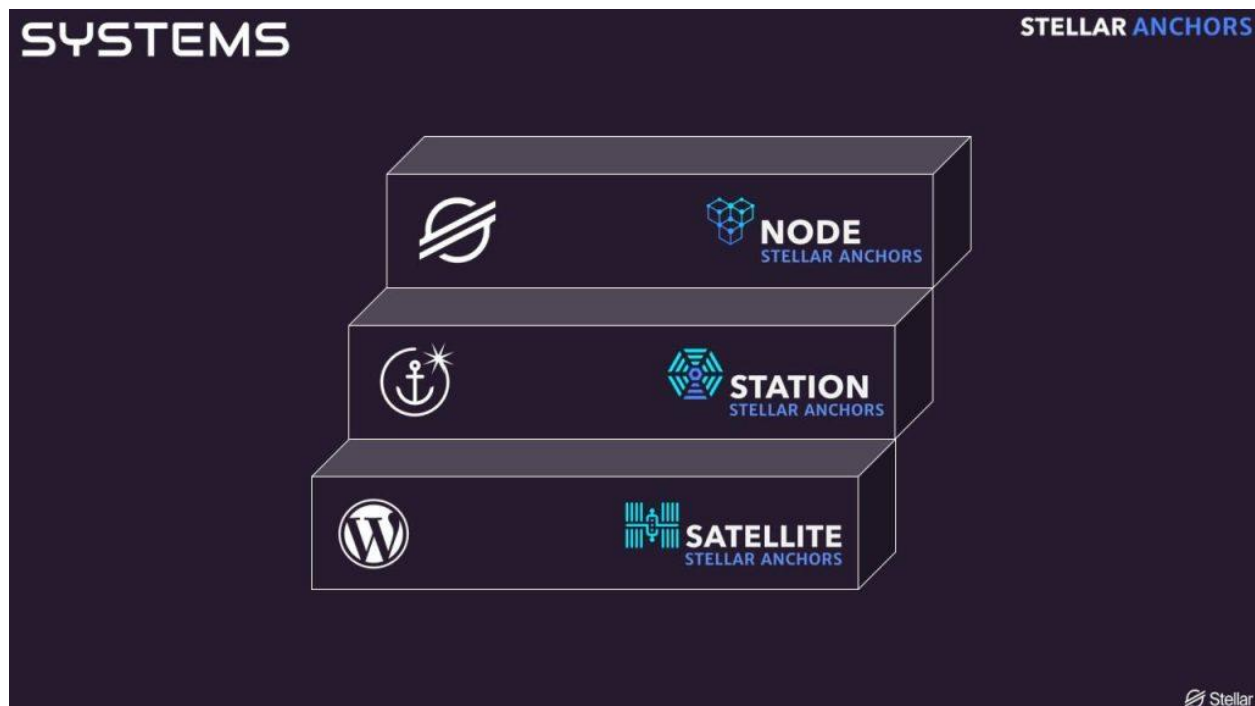
2. Stellar Anchors Platform

Stellar Anchors Corporation is an application service provider that integrates WordPress web sites with the Stellar blockchain through web services that are licensed using the software-as-a-service model.

Any WordPress web site can access Stellar blockchain operations through our rich toolset of customizable widgets which can be embedded on pages using short codes.

WooCommerce merchants who subscribe to our service can easily issue assets on the Stellar blockchain which are exchangeable for their store's merchandise.

The Stellar Anchors Platform consists of the following components:



2.1. Stellar Anchors Station

Stellar Anchors Station is our primary service offering. It is a web service and value network for subscribers and serves as a broker with provides priority access to the Stellar blockchain for Stellar Anchors Satellite and other client applications through Stellar Anchors Node.

Stellar Anchors Station is also an application framework that contains core services and a series of modules. The modules provide access to specific operations, whereas the core services are primarily intended to process the overhead of handling operation requests and sending responses.

One of the key benefits of Stellar Anchors Station is that it provides subscribers with a scalable and reliable infrastructure to manage their loyalty program. By using a cloud-hosted service, subscribers can avoid the expense and hassle of managing their own infrastructure, while also ensuring that their loyalty program is always available and scalable to meet their needs.

Stellar Anchors Station is also designed to be highly secure, providing merchants with a high level of confidence in their loyalty program. It uses cryptographic algorithms to ensure that all transactions are secure, and it provides a transparent record of all transactions, making it easy to track and manage the loyalty program.

Stellar Anchors Station is also highly customizable, allowing subscribers to tailor their loyalty program to their specific needs. Subscribers can define the rules for earning and redeeming rewards, set expiration dates for rewards, and create custom rewards for their customers. This flexibility enables subscribers to create a loyalty program that meets their unique needs and provides their customers with a seamless and personalized experience.

2.2. Stellar Anchors Satellite

Stellar Anchors Satellite is a WordPress plugin that provides subscribers with a client to access Stellar Anchors Station. The plugin is free to download and easy to use. It provides subscribers with a diverse and highly configurable toolkit containing screen widgets which are used to model customer loyalty program process flows and design rich, engaging experiences for customers.

2.3. Stellar Anchors Node

Stellar Anchors Node is our hosted Stellar blockchain validator node. Hosting our own blockchain node provides our subscribers with priority network access.

2.4. Stellar Anchors Interface Language

Client applications such as Stellar Anchors Satellite communicate with Stellar Anchors Station using Stellar Anchors Interface Language (SAIL).

SAIL is a JSON data specification that is used to submit operation requests to Station and is also used by Station to respond to those requests.

SAIL contains two different JSON representations of objects. Clients submit a JSON representation of the SAIL Request object to Station and Station returns a JSON representation of the SAIL Response object to the client.

2.5. Stellar Anchors Photon

A WordPress theme that is optimized for designing customer loyalty programs through integration with Stellar Anchors Satellite.

2.6. Benefits

Stellar Anchors Platform provides many benefits to e-commerce merchants who are looking to implement and manage a blockchain-based loyalty program. These benefits include:

Improved customer engagement: By using a loyalty program, subscribers can encourage customers to return to their website and purchase more products. By issuing store credit assets on the Stellar blockchain, customers can easily earn and redeem rewards, leading to increased engagement and retention.

Reduced costs: Implementing and managing a loyalty program can be expensive and time-consuming. Stellar Anchors provides subscribers with a cost-effective and efficient way to manage their loyalty program, reducing the overall cost and time required to implement and manage a loyalty program.

Increased transparency: Blockchain technology provides a transparent and immutable record of all transactions, making it easy for subscribers to track and manage their loyalty program. This increased transparency provides subscribers with a higher level of accountability and can help to reduce fraudulent activity.

Highly customizable: Stellar Anchors provides subscribers with a highly customizable loyalty program, enabling them to define the rules for earning and redeeming rewards, set expiration dates for rewards, and create custom rewards for customers. This flexibility enables subscribers to create a loyalty program that meets their unique needs and provides their customers with a seamless and personalized experience.

Easy to use: The suite of tools provided by Stellar Anchors is designed to be easy to use, making it simple for subscribers to implement and manage a blockchain-based loyalty program. The tools are user-friendly, scalable, and secure, providing subscribers with a reliable infrastructure to manage their loyalty program.

2.7. Initial Release Feature Set

2.7.1. User Account Creation

The ability for merchants and customers to create and manage their accounts on the platform.

2.7.2. Loyalty Program Creation

The ability for merchants to create and manage their loyalty programs using Stellar Anchors Satellite.

2.7.3. Payment Processing

The ability to issue and manage digital representations of store credit on the Stellar blockchain network, including support for various store credit assets such as points, rewards, and gift cards.

2.7.4. Transaction Processing

The ability to facilitate the exchange of digital representations of store credit between customers and merchants, ensuring that transactions are processed securely and efficiently.

2.7.5. Reporting

A suite of reporting tools that enable subscribers to track and analyze their loyalty program's performance, including detailed information on customer behavior, purchase history, and rewards earned.

2.7.6. Rewards Module

A framework for defining the rules for earning and redeeming rewards, setting expiration dates for rewards, and creating custom rewards for customers.

2.7.7. Communication Module

A set of tools for communicating with customers, including email notifications, SMS messages, and push notifications.

2.7.8. Webhooks

A feature that allows Stellar Anchors Station to provide Stellar Anchors Satellite and other clients with real-time notifications.

2.7.9. Integration Module

A set of tools for integrating the loyalty program with third-party systems, including e-commerce platforms, CRM systems, and marketing automation tools.

2.7.10. Subscriptions, Authentication, and Authorization

Secure access to the system, including subscription registrations, activation, creation, user role definition, and secure authentication protocols.

2.8. Subscriber Stellar Accounts

2.8.1. New Subscriber Multi-Signature Account Creation:

- Subscriber initiates account creation process on Stellar Anchors Station
- Station generates a new multi-signature account for the subscriber on the Stellar blockchain
- Station adds subscriber's public key as the primary signer and the main Stellar Anchors account public key as the other signer
- Subscriber is sent the secret key for the account, which they will hold as the primary signer

2.8.2. Issuing Store Credit Assets:

- Subscriber logs into Stellar Anchors Satellite and chooses to issue a new store credit asset
- Subscriber enters asset details, including the amount of PRESS token they want to provide for liquidity
- Station creates the asset on the Stellar blockchain and pairs it with PRESS token
- Station calculates the price of the subscriber's asset using the formula provided:
$$(\text{PRESS held} * \text{PRESS price}) / (\text{Merchant Asset Supply}) = \text{Merchant Asset Price}$$
- Asset is now available for the subscriber to issue to their customers

2.8.3. Purchasing PRESS Tokens for Liquidity:

- Subscriber logs into Stellar Anchors Satellite and chooses to purchase PRESS tokens for liquidity
- Subscriber enters the amount of PRESS tokens they wish to purchase
- PRESS issuer account sells PRESS to subscriber

- Station sends the XLM and USDC gained from the sale to the subscriber's wallet and pairs it with PRESS to provide PRESS liquidity
- The purchased PRESS tokens are also sent to the subscriber's wallet and paired with their custom asset to provide liquidity

2.8.4. Preventing Unilateral Withdrawal of Liquidity:

- Subscriber attempts to withdraw liquidity from their asset
- Station checks if the required signatures of both the subscriber and Stellar Anchors Corp are present
- If both signatures are present, the transaction is approved and the liquidity is withdrawn
- If not, the transaction is rejected and the liquidity remains in the asset

2.8.5. Paying Subscription Fees:

- Subscriber initiates a transaction on Stellar Anchors Satellite to pay their subscription fees
- Subscriber signs the transaction with their secret key
- Station verifies the transaction and adds the signature of Stellar Anchors Corp
- Transaction is executed, sending the required amount of PRESS tokens from the subscriber's account to the main Stellar Anchors Corp account

2.8.6. Maintaining Minimum PRESS Token Balance:

- Station checks the subscriber's account regularly to ensure that it contains the minimum required amount of PRESS tokens
- If the balance falls below the minimum, Station sends a notification to the subscriber and suspends the account until the balance is restored
- The price of each merchant asset must not fall below \$0.01

2.8.7. Adding More PRESS Tokens:

- Subscriber initiates a transaction on Stellar Anchors Satellite to add more PRESS tokens to their account
- Subscriber signs the transaction with their secret key
- Station verifies the transaction and executes it, adding the purchased PRESS tokens to the subscriber's account
- Alternatively, subscriber can purchase PRESS directly using a credit card or other traditional payment method
- In the case of payment by credit card, debit card, or e-check (ACH), the subscriber provides payment details on Stellar Anchors Station and the transaction is executed once payment is confirmed.

3. Market Analysis

3.1. Market size and potential

The market for WordPress and WooCommerce is rapidly growing and presents a significant opportunity for companies like Stellar Anchors. As of 2022, WordPress powers over 42% of all websites on the internet, and WooCommerce is the leading e-commerce plugin for WordPress, with over 5 million active installations.

The market for WordPress and WooCommerce is projected to continue to grow, with an estimated 25% year-over-year increase in WordPress websites and e-commerce sales. This growth presents a significant opportunity for companies that provide tools and services for WordPress and WooCommerce websites, like Stellar Anchors.

Stellar Anchors is uniquely positioned to capitalize on this growing market. Our suite of tools provides e-commerce merchants with a simple and efficient way to implement and manage a blockchain-based loyalty program, which can help them to increase customer engagement, reduce costs, and increase transparency and accountability. Our tools are highly customizable, making it easy for subscribers to tailor their loyalty program to their specific needs and provide a seamless and personalized experience for their customers.

The potential market for Stellar Anchors is significant, given the size and growth of the WordPress and WooCommerce market. By providing a cost-effective, scalable, and secure solution for loyalty programs, Stellar Anchors can help subscribers to differentiate themselves from competitors, increase customer loyalty, and ultimately drive revenue growth. As the market for e-commerce continues to grow, the potential for Stellar Anchors to become a leader in blockchain-based loyalty programs is substantial.

3.2. Competitive landscape

The market for WordPress, WooCommerce, and various plugins for store credit is highly competitive. Several companies offer loyalty program solutions for merchants, making it crucial for Stellar Anchors to differentiate itself from competitors.

One of the main competitors of Stellar Anchors is WooCommerce Points and Rewards. This plugin allows merchants to offer customers reward points for purchasing products on their website. Customers can then use these reward points to receive discounts on future purchases. This plugin has been installed on over 20,000 websites and is a popular solution for merchants who want to offer a loyalty program.

Another competitor of Stellar Anchors is YITH WooCommerce Points and Rewards. This plugin works similarly to WooCommerce Points and Rewards, allowing merchants to offer customers reward points for purchases. However, YITH also offers additional features such as the ability to set different point values for different products and the ability to give customers points for actions such as creating an account or leaving a review.

Stellar Anchors differentiates itself from these competitors by offering a blockchain-based loyalty program. By using the Stellar blockchain, Stellar Anchors provides subscribers with a secure and transparent way to issue and manage store credit assets. The suite of tools provided by Stellar Anchors is highly customizable, making it easy for subscribers to tailor their loyalty program to their specific needs and provide a seamless and personalized experience for their customers.

Another advantage of Stellar Anchors over competitors is the scalability of its tools. Stellar Anchors provides hosted services which make it easy for subscribers to manage their loyalty program without the expense and hassle of managing their own infrastructure.

3.3. Target subscriber segments

Stellar Anchors is targeting merchants who use WordPress and WooCommerce as their e-commerce platform and are looking to implement a blockchain-based loyalty program. This includes small to medium-sized businesses in a variety of industries, such as retail, fashion, electronics, and more.

Our suite of tools is designed to be highly customizable, making it easy for subscribers to tailor their loyalty program to their specific needs. This customization includes defining the rules for earning and redeeming rewards, setting expiration dates for rewards, and creating custom rewards for customers. This flexibility enables subscribers to create a loyalty program that meets their unique needs and provides their customers with a seamless and personalized experience.

Stellar Anchors is also an ideal solution for merchants who are looking for a scalable, reliable, and highly secure infrastructure to manage their loyalty program. By using a cloud-hosted API and the Stellar blockchain, Stellar Anchors provides subscribers with a cost-effective, efficient, and secure way to manage their loyalty program.

Our suite of tools is also user-friendly, making them easy for merchants to install, manage, and use. By using Stellar Anchors, merchants can avoid the expense and hassle of managing their own infrastructure, while also ensuring that their loyalty program is always available and scalable to meet their needs.

4. Business Model and Revenue Streams

4.1. Pricing strategy

Stellar Anchors has a simple and transparent pricing strategy. We will charge a flat rate of \$16 per month for subscriptions to our service. This pricing model is highly competitive with the pricing of typical store credit plugins for WordPress and WooCommerce, which range from \$10 to \$30 per month.

Our flat rate pricing model is designed to provide web store owners with a cost-effective and predictable pricing structure. We believe that a flat rate pricing model is easier for web store owners to understand and manage, as it eliminates the need to calculate fees based on transaction volume or other complex pricing models.

We have also carefully considered our pricing in relation to our target customer segments. Small to medium-sized businesses are often limited by their budgets and cannot afford expensive loyalty program solutions. Our pricing model is designed to be accessible and affordable for these businesses, while also providing them with a powerful and effective loyalty program solution.

Stellar Anchors does not plan to have any other sources of revenue, such as transaction fees or commissions. Our pricing model is straightforward and transparent, with no hidden fees or surprises.

4.2. Revenue streams

Stellar Anchors' primary source of revenue will be its subscription service, with a flat rate of \$16 per month. We believe that this pricing model will be highly attractive to our target customer segments, while also providing us with a stable and predictable revenue stream.

Our focus will always be on providing a high-quality loyalty program solution that meets the needs of our subscribers. We believe that by providing an exceptional product and excellent support, we will be able to maintain a strong and loyal customer base, which will in turn drive our revenue growth.

4.3. Business model analysis

Stellar Anchors has developed a business model that is designed to be scalable, cost-effective, and provide a valuable service to our subscribers. Our business model centers on providing a suite of tools that enable subscribers to easily implement and manage a blockchain-based loyalty program.

Our primary source of revenue will be our subscription service, with a flat rate of \$16 per month. This pricing model is highly competitive with the pricing of typical store credit plugins for WordPress and WooCommerce and is designed to be accessible and affordable for small to medium-sized businesses. By providing a simple and predictable pricing model, we believe that we can build a strong and loyal customer base.

To ensure that we provide a high-quality service to our customers, we have invested in the development of our suite of tools, including: Stellar Anchors Node, Stellar Anchors Station, Stellar Anchors Satellite, and Stellar Anchors Photon. We will continue to invest in the development of these tools to ensure that they remain scalable, secure, and easy to use for our subscribers.

Our business model is designed to scale and can serve many subscribers without incurring significant overhead costs.

We believe that our business model is highly attractive to our target customer segments, which includes small to medium-sized businesses that are looking for a cost-effective and efficient way to implement and manage a loyalty program. By providing a blockchain-based solution, we differentiate ourselves from competitors and provide our subscribers with a secure and transparent solution for their loyalty program.

5. Marketing and Sales Strategy

5.1. Targeted marketing channels

Stellar Anchors is committed to reaching merchants around the world, which is why we plan to utilize a range of targeted marketing channels to reach our global subscriber base. In addition to the marketing channels previously mentioned, we will also use franchise partnerships as a means of expanding our reach to countries outside of the United States.

5.1.1. Content marketing

Content marketing and Search engine optimization (SEO) will be essential elements of our marketing strategy, as we aim to provide valuable content that will attract organic traffic to our website. We will create content that is optimized for search engines and shareable on social media platforms to reach a broad audience.

5.1.2. Direct marketing

Direct outreach will also be an essential part of our strategy, where we will reach out to merchants directly via email or phone to introduce our solution and offer a personalized approach.

5.1.3. Referral programs

Referral programs are another important marketing channel for us. We will incentivize our existing subscribers to refer new subscribers to us by offering rewards or discounts on their subscription fees.

5.1.4. Advertising

Advertising will be a key part of our marketing mix, including social media advertising and Google Ads. Our advertising campaigns will target merchants who are actively searching for loyalty program solutions and will showcase our unique selling points and value proposition.

5.1.5. Industry events

Industry events will provide an excellent opportunity for us to connect with merchants and industry leaders face-to-face. We plan to participate in relevant conferences and events where we can showcase our suite of tools and build relationships with potential subscribers.

5.1.6. Influencer marketing

Influencer marketing is another channel that we plan to leverage. We will work with social media influencers in the e-commerce space to promote our solution and reach a wider audience. As a business facing company, our primary social media influencer marketing will be focused on Telegram, Discord, Twitter, and Reddit.

5.1.7. Email marketing

Email marketing will play a crucial role in our subscriber retention efforts. We will send regular newsletters and email updates to our existing subscribers, keeping them informed about our latest features and updates.

5.1.8. Franchise partnerships

Franchise partnerships will be an essential channel for us to expand our reach to countries outside of the United States. We will partner with third-party companies that are interested in franchising our service in their countries. These companies will operate as our local partners and provide local support to our subscribers.

5.2. Sales strategy and tactics

Stellar Anchors will employ a targeted sales strategy designed to provide an efficient and effective sales process. Our sales strategy and tactics are focused on building a strong subscriber base by providing value to our subscribers, building relationships with them, and meeting their needs.

We plan to use a combination of inside sales and field sales to reach our target subscribers. Inside sales will involve our sales representatives reaching out to merchants via email, phone, and other digital channels. Our field sales representatives will meet with prospective subscribers in person at conferences and events, and in local sales territories.

Our sales representatives will be trained to provide our subscribers with the necessary support, technical knowledge, and product demos to showcase the benefits of our product suite. We will have a consultative approach to sales, understanding the specific needs of our subscribers, and providing tailored solutions that meet their unique requirements.

In addition to sales representatives, we will also provide our subscribers with a self-service model that allows them to sign up, configure and purchase our product suite at their own pace. We will provide extensive documentation, video tutorials, and a support forum to assist subscribers with the onboarding process.

We will leverage the power of subscriber testimonials and reviews to help build trust in our brand and increase our subscriber base. We will encourage our existing subscribers to share their experiences using Stellar Anchors by providing an incentive program that rewards them for sharing their stories.

Our sales strategy will be continuously evaluated and refined to ensure we are maximizing our subscriber acquisition and retention rates. We will use data analysis to identify trends, areas of opportunity, and potential barriers to sales, allowing us to adjust our sales approach accordingly.

5.3. Subscriber acquisition and retention

Subscriber acquisition and retention are vital to the success of Stellar Anchors. We will implement various strategies and tactics to acquire new subscribers and retain our existing ones.

Our marketing efforts will be focused on acquiring new subscribers by providing valuable content that showcases the benefits of our product suite. We will optimize our website and social media channels to attract organic traffic and generate leads. We will also leverage advertising and industry events to reach merchants who are actively looking for loyalty program solutions.

To retain our subscribers, we will provide ongoing support and education. Our goal is to create a seamless onboarding process that makes it easy for subscribers to get started with our product suite. We will provide extensive documentation, video tutorials, and a support forum to assist subscribers with any questions or issues they may have.

Every subscriber will be assigned a dedicated client services consultant who will act as a responsive point of contact. The client services consultant will make sure that subscriber issues are dealt with in a timely manner, coordinating with other members of the Stellar Anchors team as needed.

We will also implement a subscriber loyalty program to incentivize our subscribers to remain with us. Our loyalty program will reward our subscribers with exclusive benefits, such as discounted subscription rates, access to new features and tools, and early access to beta testing.

Another crucial aspect of our subscriber retention strategy is to provide exceptional support. Our support team will be trained to resolve any issues promptly and effectively, ensuring that our subscribers have a positive experience with our product suite. We will also provide regular updates and improvements to our suite of tools to keep our subscribers engaged and invested in our product.

We will track our subscriber acquisition and retention rates closely, analyzing our data to identify areas for improvement. By regularly reviewing our metrics and adjusting our strategies, we can optimize our subscriber acquisition and retention rates and ensure the long-term success of our business.

6. Financial Projections

Stellar Anchors is a startup SaaS company that provides subscribers with tools to issue store credit assets on the Stellar blockchain. We plan to offer a subscription fee of \$16 per month, with each new subscriber receiving one free month. Our projected financial statements for the next three years account for growth of the WooCommerce market, as well as our ability to scale our business and attract and retain subscribers.

Year 1 (2023)

In our first year of operations, we project to have 300 subscribers. This will result in a revenue of \$52,800 for the year ($\$16/\text{month} \times 11 \text{ months} \times 300 \text{ subscribers}$).

Assuming a gross profit margin of 50%, our gross profit for the year is estimated at \$26,400. Our operating expenses are projected to be \$25,000, which will include salaries, marketing expenses, technology costs, and other overhead expenses. We expect to have a net profit of \$1,400 in our first year due to our effective marketing strategy and initial investment in growth.

Year 2 (2024)

In our second year, we project to have 800 subscribers, with a total revenue of \$145,600 for the year ($\$16/\text{month} \times 11 \text{ months} \times 500 \text{ subscribers}$) + ($\$16/\text{month} \times 12 \times 300$). Assuming a gross profit margin of 60%, our gross profit for the year is estimated at \$87,360. Our operating expenses are projected to be \$75,000, which will include increased marketing expenses, hiring additional staff, and technology costs. We project a net profit of \$12,360 for the year.

Year 3 (2025)

In our third year, we project to have 2,200 subscribers, with a total revenue of \$400,000 for the year ($\$16/\text{month} \times 12 \text{ months} \times 800 \text{ subscribers}$) + ($\$16/\text{month} \times 11 \text{ months} \times 1,400$). Assuming a gross profit margin of 70%, our gross profit for the year is estimated at \$280,000. Our operating expenses are projected to be \$240,000, which will include continued growth in marketing expenses, hiring more staff, and further technology investments. We project a net profit of \$40,000 for the year.

6.1. Projected financial statements for the next three years

Projected Financial Statements for the Next Three Years

At Stellar Anchors, we are committed to providing our subscribers with innovative tools to issue and store credit assets on the Stellar blockchain. As we continue to grow and scale our business, we have developed financial projections for the next three years that reflect our anticipated revenue, expenses, and net profit.

Year 1 (2023)

In our first year of operations, we anticipate having 300 subscribers, resulting in a revenue of \$52,800 for the year. With a gross profit margin of 50%, we expect to have a gross profit of \$26,400. Our operating expenses are projected to be \$25,000, including salaries, marketing expenses, technology costs, and other overhead expenses. With these projections, we anticipate a net profit of \$1,400 in our first year.

Year 2 (2024)

In our second year of operations, we expect to see substantial growth, with 800 subscribers generating a total revenue of \$145,600 for the year. Assuming a gross profit margin of 60%, our gross profit for the year is estimated at \$87,360. We project operating expenses of \$75,000, which will include increased marketing expenses, hiring additional staff, and technology costs. Our net profit for the year is projected to be \$12,360.

Year 3 (2025)

In our third year, we anticipate continued growth with 2,200 subscribers generating a total revenue of \$400,000 for the year. Assuming a gross profit margin of 70%, our gross profit for the year is estimated at \$280,000. Our operating expenses are projected to be \$240,000, including continued growth in marketing expenses, hiring more staff, and further technology investments. We project a net profit of \$40,000 for the year.

These projections are based on a variety of factors, including our ability to attract and retain subscribers, the growth of the WooCommerce market, and our ability to scale our business effectively. While these projections provide a roadmap for our anticipated growth, we recognize that there may be challenges or risks that could impact our ability to achieve these goals. As we continue to grow and scale our business, we will closely monitor market trends and adjust our strategy as needed to achieve our financial goals.

We believe that our financial projections reflect a realistic path to growth for our business, and we are excited about the potential for Stellar Anchors to transform the way subscribers issue store credit assets on the Stellar blockchain.

6.2. Break-even analysis

At Stellar Anchors, we understand the importance of analyzing our break-even point to ensure that our business is financially sustainable. Our break-even analysis takes into account our projected revenue and expenses for the next three years.

Based on our projected revenue and expenses, our break-even analysis reveals that we will reach our break-even point in our second year of operations.

Our monthly fixed costs, including salaries, technology costs, and overhead expenses, are projected to be \$9,090 per month. Our variable costs, including marketing expenses and the cost of providing our service to subscribers, are projected to be \$5 per subscriber per month.

With a subscription fee of \$16 per month, we will need to acquire and retain at least 830 subscribers in order to reach our break-even point. This assumes that our gross profit margin remains constant at 60% and that our variable costs per subscriber per month remain constant at \$5.

By the end of our second year of operations, we project to have 800 subscribers, which will generate a total revenue of \$145,600 for the year. With a gross profit of \$87,360 and operating expenses of \$75,000, we expect to have a net profit of \$12,360 for the year. This projection suggests that we will reach our break-even point in our second year of operations.

As we continue to grow and scale our business, we will closely monitor our break-even point to ensure that our business remains financially sustainable. By focusing on effective marketing strategies, offering innovative tools to our subscribers, and maintaining a competitive subscription fee, we are confident in our ability to reach our break-even point and achieve sustainable growth over the next three years.

6.3. Sensitivity analysis

At Stellar Anchors, we understand that financial projections are always subject to some degree of uncertainty. To assess the potential impact of changes in key variables on our financial projections, we have conducted a sensitivity analysis.

We have identified two key variables that could impact our financial projections: the number of subscribers and the variable cost per subscriber per month. By adjusting these variables, we can assess the potential impact on our net profit.

Variable 1: Number of Subscribers

Our financial projections assume that we will acquire and retain a certain number of subscribers each year. However, changes in the number of subscribers could impact our revenue and net profit.

For example, if we were to acquire only 250 subscribers in our first year of operations instead of the projected 300, our revenue for the year would be \$44,000 instead of \$52,800. This would result in a gross profit of \$22,000 and a net loss of \$3,000 for the year. Similarly, if we were to acquire 400 subscribers in our first year instead of 300, our revenue for the year would be \$70,400, resulting in a gross profit of \$35,200 and a net profit of \$10,200.

Variable 2: Variable Cost per Subscriber per Month

Our variable costs per subscriber per month include marketing expenses and the cost of providing our service to subscribers. Changes in these costs could impact our gross profit and net profit.

For example, if our variable cost per subscriber per month were to increase to \$6 instead of the projected \$5, our gross profit for our second year of operations would be \$70,720 instead of \$87,360. This would result in a net profit of \$5,720 instead of \$12,360. Similarly, if our variable cost per subscriber per month were to decrease to \$4 instead of the projected \$5, our gross profit for our second year of operations would be \$104,000, resulting in a net profit of \$31,000.

While these examples illustrate the potential impact of changes in key variables on our financial projections, it's important to note that our projections are subject to a wide range of uncertainties and risks. By conducting regular sensitivity analyses and closely monitoring market trends, we can adjust our strategy as needed to maintain financial sustainability and achieve our growth goals.

7. Project Funding

7.1. Funding requirements

Stellar Anchors Corporation has issued the PRESS token on the Stellar blockchain, which is used to pay for subscription fees for our services. PRESS is also tradeable on the Stellar decentralized exchange, and provides liquidity for credit assets issued by our subscribers. We do not make any promises or guarantees regarding investment returns, and encourage potential investors to consult with a qualified financial advisor before investing.

We are committed to complying with all applicable securities laws and regulations, and may limit the availability of our investment opportunity to accredited investors or sophisticated investors, depending on the jurisdiction and type of investment being offered. We plan to engage a qualified securities lawyer to ensure compliance with applicable securities laws and regulations.

We do not plan to offer any airdrop rewards or other incentives that may be considered investment returns. Instead, we plan to allocate a portion of our net profits each year to provide liquidity on the Stellar decentralized exchange to support the value of the PRESS token. We may also re-invest a portion of our net profits into the business to execute our growth plan goals.

We believe that by offering investors the opportunity to support the growth of our business through the purchase of PRESS tokens, we can create a mutually beneficial dynamic where investors benefit from the appreciation in the value of PRESS over time, while we benefit from increased liquidity and support for our subscribers. We are committed to building a strong community around PRESS that includes both investors and subscribers, and to providing transparency and disclosure to all stakeholders.

8. Financial Plan Analysis

The fund raising plan for Stellar Anchors involves the sale of PRESS tokens, a custom Stellar blockchain crypto asset, to investors. The company plans to raise \$200,000 through the sale of these tokens, which will be used to support marketing expenses, consolidate short-term project debt, bring the Stellar Anchors Platform to market, complete development of the platform, invest in technology and hosting expenses, and support general business operations.

The financial plan for Stellar Anchors is based on projected growth in the WooCommerce market and the company's ability to scale its operations and attract and retain subscribers. The projections show that the company expects to steadily increase its number of subscribers and revenue over the next three years, while also maintaining a healthy gross profit margin. The financial plan also takes into account the company's operating expenses, which are expected to increase as the company grows and expands.

Based on the projected financial statements for the next three years, Stellar Anchors has a realistic and achievable growth plan. The projections show that the company expects to steadily increase its number of subscribers and revenue over the next three years, while also maintaining a healthy gross profit margin.

The projections also take into account the company's operating expenses, which are expected to increase as the company grows and expands. However, the company has planned for these expenses by projecting an increasing net profit each year, indicating that the revenue generated from new subscribers will more than cover the increasing costs.

To achieve greater efficiencies, Stellar Anchors will remain mindful of the following guidelines:

1. Focus on customer retention: While customer acquisition is important, retaining customers is equally crucial. The company could consider investing in programs and initiatives that improve customer experience and increase customer loyalty.
2. Streamline operations: As the company grows, it's important to ensure that operations are efficient and cost-effective. The company could consider investing in technology and automation to streamline processes and reduce operational costs.
3. Optimize marketing spend: The company could consider analyzing the effectiveness of their marketing campaigns and reallocating budget to channels that are performing well. This can help to maximize the return on investment for their marketing spend.
4. Diversify revenue streams: While the subscription model is a key source of revenue for Stellar Anchors, the company could also consider diversifying their revenue streams. For example, they could explore opportunities for generating revenue through partnerships or by offering additional products and services.
5. Foster a culture of innovation: To continue to stay ahead of the competition and deliver innovative solutions, Stellar Anchors could consider investing in research and development and fostering a culture of innovation within the company.

By implementing these strategies, Stellar Anchors can maximize efficiency and maintain sustainable growth over the long term.

9. Roadmap

9.1. Overview

The Stellar Anchors Platform is a comprehensive solution for businesses seeking to implement a customer loyalty program with blockchain technology. The development of the platform has been ongoing since 2022 and continues to evolve as new features are added and improvements made. In this section, we outline the future development plans for the Stellar Anchors Platform and the expected timeline for each deliverable.

9.2. Development Roadmap

The development schedule employs the Agile Development Methodology which calls for intense two week periods of development called which are called sprints. The sprints are preceded and succeeded by one day meetings called scrums which are used to review the previous sprint and plan for the next one. For simplicity and efficiency, sprints occupy weekdays whereas scrums are held on a Saturday.

9.2.1. Sprint One

9.2.1.1. Node Sprint One

9.2.1.1.1. Identify hardware requirements for a full validator node on a single physical server machine

The hardware requirements for hosting a full validator node on a single physical server machine include a processor with multiple cores, at least 8GB of RAM, and at least 250GB of storage. A solid-state drive (SSD) is recommended for faster performance.

9.2.1.1.2. Purchase or lease a suitable physical server machine that meets the hardware requirements

The physical server machine can be purchased or leased from a reputable vendor, such as Dell or HP. It should meet the hardware requirements identified in step 1.

9.2.1.1.3. Install the required operating system on the physical server machine

The recommended operating system for hosting a full validator node on a single physical server machine is Ubuntu 18.04 LTS. The operating system can be installed from an installation media, such as a USB drive or a CD/DVD.

9.2.1.2. Station and Satellite Sprint One

9.2.1.2.1. Develop the authentication and authorization services

9.2.1.2.2. Develop the payment processing services

9.2.1.2.3. Develop the transaction processing services

9.2.1.2.4. Develop the rewards module

9.2.2. Sprint Two

9.2.2.1. Node Sprint Two

9.2.2.1.1. Install and configure software including: Stellar Core, Horizon, and PostgreSQL

Stellar Core is the software that implements the Stellar network protocol. Horizon is the API server for the Stellar network. PostgreSQL is the database system used by Stellar Core and Horizon. These components can be installed using the package manager of the operating system, or by building them from source code.

9.2.2.1.2. Configure the firewall and network settings to enable communication with other nodes

The firewall settings should allow incoming connections to ports 11625 and 11626, which are used by Stellar Core and Horizon, respectively. The network settings should be configured to use a static IP address and a domain name that can be resolved by other nodes on the network.

9.2.2.2. Station and Satellite Sprint Two

9.2.2.2.1. Develop the reporting module

9.2.2.2.2. Develop the communication module

9.2.2.2.3. Develop the integration module

9.2.2.2.4. Conduct user acceptance testing for Sprint One features

9.2.3. Sprint Three

9.2.3.1. Node Sprint Three

9.2.3.1.1. Generate the public and private keys for the validator node

The public and private keys for the validator node can be generated using the Stellar laboratory website, or by running the Stellar command-line interface (CLI) tool.

9.2.3.1.2. Install and configure the node as a full validator on the Stellar network

The node can be configured as a full validator by setting the appropriate configuration options in the Stellar Core configuration file. This includes specifying

the public and private keys for the node, as well as setting the quorum set and other network parameters.

9.2.3.2. Station and Satellite Sprint Three

9.2.3.2.1. Develop the Stellar Anchors Station

9.2.3.2.2. Develop the Stellar Anchors Satellite

9.2.3.2.3. Conduct user acceptance testing for Sprint 2 features

9.2.4. Sprint Four

9.2.4.1. Node Sprint Four

9.2.4.1.1. Monitor and optimize the performance of the validator node

Performance of the validator node can be monitored using tools such as Grafana and Prometheus, which can be installed and configured to monitor the health of the node. The performance of the node can be optimized by adjusting the configuration options for Stellar Core and Horizon, such as the number of parallel tasks and the cache size.

9.2.4.1.2. Test the validator node for reliability and stability

The reliability and stability of the validator node can be tested by performing various stress tests, such as sending a large number of transactions to the node and measuring the response time. Additionally, the node should be tested for stability by leaving it running for an extended period of time and monitoring for any errors or crashes.

9.2.4.2. Station and Satellite Sprint Four

9.2.4.2.1. Conduct performance testing and optimization

9.2.4.2.2. Conduct security testing and optimization

9.2.4.2.3. Conduct usability testing and optimization

9.2.4.2.4. Conduct final acceptance testing for all features

9.2.5. Sprint Five

9.2.5.1. Node Sprint Five

9.2.5.1.1. Deploy the fully configured validator node on the Stellar network

The fully configured validator node can be deployed by registering it on the Stellar network and adding it to the quorum set of other nodes. This requires communicating with other validators on the network and coordinating with the Stellar community to ensure that the node is properly registered and integrated into the network.

9.2.5.2. Station and Satellite Sprint Five

9.2.5.2.1. Prepare the platform for deployment

9.2.5.2.2. Conduct final system testing and quality assurance

9.2.5.2.3. Deploy the platform to production

9.3. Future Projects

The Stellar Anchors Platform is constantly evolving to meet the changing needs of our customers. Here are some of the future development plans that we have in the pipeline:

9.3.1. Stellar Anchors Ledger

Stellar Anchors Ledger provides a double-entry bookkeeping framework for small and medium-sized businesses, enabling them to keep track of their financial transactions and assets in a transparent, immutable, and auditable manner.

By using Stellar as the underlying platform, Stellar Anchors Ledger benefits from its unique features, such as a built-in distributed exchange, smart contract capabilities, and interoperability with other blockchain networks.

Stellar Anchors Ledger also leverages the latest web technologies, such as modern UI frameworks, API design patterns, and database modeling, to provide a seamless and user-friendly experience for our customers.

We believe that Stellar Anchors Ledger will help businesses reduce their accounting costs, improve their financial reporting accuracy, and increase their access to global payment networks, while maintaining their financial privacy and security.

9.3.2. Stellar Anchors Vote

Stellar Anchors Vote is a web application that allows users to vote for a Stellar blockchain asset using claimable balances. The purpose of the application is to provide a secure and transparent way for users to participate in voting for a particular Stellar asset.

The voting process involves locking an asset for a period of time that corresponds to the voting period by sending it to oneself as a future claimable balance. The

claimable balance cannot be accessed until the voting period is over, ensuring that users cannot change their vote after the fact. This process is designed to prevent tampering and ensure a fair and accurate vote count.

The application stores and manages the claimable balances in a MySQL database and interacts with the Stellar blockchain to retrieve account data and submit transactions. With a user-friendly interface, users can view and claim their claimable balances, as well as view the options and vote totals.

9.3.3. Stellar Anchors Cooperative Features

The Stellar Anchors Platform provides a blockchain-based solution for web store loyalty programs that allows subscribers to collect online gift cards, discounts, and coupons, and create customer loyalty points systems for their own customer base. The platform will incorporate a Rewards System, where clients can agree on terms for rewards.

Clients maintain their own point system and can trade one point system for another. Points can be redeemed for rewards such as discounts, coupons, and online gift cards.

Each client may be part of multiple constellations, which are groups of clients that have agreed to share their points with each other. Clients can enable the usage of their points with other clients (Share) and/or enabling the ability to redeem points from other clients (Accept).

The platform also supports the Galaxies, which allows a client to offer their customers more options by allowing points from other clients to be spent by the customer of that other client in their own store.

Clients can redeem points for rewards on their own or in a constellation. The points used by customers will be redeemed as one-third sent back to the sender; one-half kept with the receiving client, and one-sixth of the points will be lost in the process of each transaction.

In terms of vocabulary for acronyms used in this system, "Galaxies" refers to the system that enables clients to share and redeem points with each other.

10. Conclusion

Stellar Anchors is a startup SaaS company that provides a suite of tools to e-commerce merchants which enable them to issue store credit assets on the Stellar blockchain. Our tools include: Stellar Anchors Node, Stellar Anchors Station, Stellar Anchors Satellite, Stellar Anchors Photon, and Stellar Anchors Interface Language.

Our solution provides subscribers with an efficient and secure way to issue store credit assets to their customers. By using the Stellar blockchain, we enable the

creation of tamper-proof store credit assets that can be easily redeemed for store merchandise. Our solution is easy to integrate with existing web stores and provides a seamless customer experience.

We believe that our solution offers a number of key benefits to subscribers, including:

Increased revenue: By offering store credit assets to customers, subscribers can incentivize repeat purchases and increase customer loyalty.

Lower costs: Our solution is cost-effective and eliminates the need for manual store credit tracking and reconciliation.

Increased security: The use of the Stellar blockchain provides an extra layer of security and reduces the risk of fraudulent store credit claims.

Enhanced customer experience: Our solution provides a seamless customer experience that is integrated with existing web store functionality.

Stellar Anchors' value proposition is focused on providing a simple and secure way for subscribers to issue store credit assets on the Stellar blockchain. Our solution is designed to be easy to use and cost-effective, enabling subscribers to increase customer loyalty and drive revenue growth. We are committed to delivering exceptional value to our subscribers and are excited to be at the forefront of the blockchain-based store credit market.

Stellar Anchors is poised to revolutionize the store credit market with our secure and efficient solution. We are excited about the potential of our platform to transform the way e-commerce merchants issue and manage digital store credit assets.

If you are a web store owner or operator, we invite you to consider subscribing to Stellar Anchors and experience the benefits of our platform firsthand. With our subscription-based model, you can access our powerful tools and begin issuing store credit assets on the Stellar blockchain in just a few simple steps.

If you are an investor looking for an exciting opportunity in the blockchain and e-commerce spaces, we invite you to consider investing in Stellar Anchors. Our business model and growth potential make us an attractive investment opportunity, and we are committed to delivering strong returns to our investors.

We are confident that our solution offers a unique and valuable proposition to both subscribers and investors. We invite you to join us on our journey to revolutionize the store credit market and unlock the full potential of the Stellar blockchain.

11. Contact Information

Stellar Anchors Corporation
1734 Bembridge Drive
Spring, Texas 77386

Web: <https://www.stellaranchors.com>
Email: info@stellaranchors.com
Telegram: t.me/StellarAnchors (<https://t.me/StellarAnchors>)
Twitter: <https://twitter.com/StellarAnchors>

Robert J. Panico
President, Stellar Anchors Corporation
rob@stellaranchors.com

Julius R. McClain
Secretary, Stellar Anchors Corporation
jules@stellaranchors.com

Sean D. Alford
Vice President, Stellar Anchors Corporation
sean@stellaranchors.com

Timothy C. Pigman
Vice President, Stellar Anchors Corporation
tim@stellaranchors.com

12. Appendices

12.1. Definitions, Acronyms, and Abbreviations

Stellar Anchors Platform: The suite of tools provided by Stellar Anchors Corporation that enables merchants to issue and manage store credit assets on the Stellar blockchain. Included in the Stellar Anchors Platform are: Stellar Anchors Node, Stellar Anchors Station, and Stellar Anchors Satellite.

Stellar Anchors Node: A hosted Stellar blockchain validator node used by Stellar Anchors Corporation to provide priority network access to subscribers.

Stellar Anchors Station: The primary web service and value network for subscribers that serves as a broker and provides priority access to the Stellar blockchain for client applications such as Stellar Anchors Satellite through Stellar Anchors Node.

Stellar Anchors Satellite: A WordPress plugin provided by Stellar Anchors Corporation that provides a client to access Stellar Anchors Station.

Stellar Anchors Interface Language (SAIL): The JSON data specification used to submit operation requests to Stellar Anchors Station and receive responses.

Composer: A package manager for PHP used by Stellar Anchors Station.

MySQL: An open-source relational database management system used by Stellar Anchors Station to store data.

PHP: Hypertext Preprocessor, a server-side scripting language used by Stellar Anchors Station and Stellar Anchors Satellite.

SDK: Software Development Kit, a collection of software development tools used to build applications.

API: Application Programming Interface, a set of protocols and tools used to build software applications.

JSON: JavaScript Object Notation, a lightweight data interchange format.